

Creditable Civilian Service

Generally, to be creditable for eligibility and computation, all service before 1-1-89 must be covered by a deposit. Non-deduction service on or after 1-1-89 is not creditable. Refunded FERS service cannot be repaid and is not creditable.

1. Full Time

Retirement covered appointments give full time credit for all time elapsing between the date of appointment and date of separation.

2. Part-Time Work Schedule

Full-Time credit for eligibility. (Service performed on/after 4-7-86 is prorated only for computation purposes.)

3. Intermittent Work Schedule (When Actually Employed—WAE)

Intermittent (WAE) time is credited only for actual days worked, based on 260 day year.

4. Deposit (Nondeduction) Service

Fully creditable if performed prior to 1-1-89 and deposit has been made. No credit if performed on or after 1-1-89.

5. Leave Without Pay

Credit is given for all Leave Without Pay (LWOP) up to six months in a calendar year.

(No deposit required).

6. Office Of Workers' Compensation Program (OWCP)

All time while receiving OWCP benefits is fully creditable as long as the employee is eventually restored to Federal employment. *(No deposit required).*

7. Interim Or CSRS Offset Service

CSRS Interim is a version of CSRS established pending creation of FERS. Fully creditable as FERS service.

8. CSRS Service That Is Not Part Of A CSRS Component

Fully creditable if covered by deductions or a deposit has been made.

9. CSRS Component

When an employee has 5 years of creditable CSRS civilian service and elected to transfer to FERS. Service is calculated using the CSRS rules.

Deposit/Redeposit Service

What is deposit service? Deposit service is the period of service during which retirement contributions were not withheld from your salary (for example: temporary service).

Cost of the deposit is 1.3% of basic pay earned during the non-deduction service plus interest. For FERS employees, you can only make the deposit for service prior to 1-1-89. Deposit time after this date is not creditable and payment cannot be made to receive credit. If you have non-deduction service that is used in the CSRS portion of your annuity, the amount owed would be 7% plus interest. Since 1985, variable rates of interest are charged which the Secretary of Treasury determines.

What is redeposit? It is service in which you contributed to the retirement fund and later received a refund of those contributions. If you have received a refund of contributions for prior CSRS service; became FERS automatically; and received the refund based on an application filed before FERS coverage began, you must make a deposit to receive credit under FERS for the prior CSRS service. The deposit must be made under FERS rules. If you do not make the required deposit, then the service will not be creditable for eligibility or computation purposes under FERS. If you received a refund of CSRS Offset service and elected FERS, you must make a redeposit to receive credit. If you have a CSRS component, variable rates do not apply to deposit service prior to 10/1/82 or to refunds received before 10/1/82. The interest rate would be 3% (since 1948 to payment date).

Cost of the redeposit is the refund paid to you plus interest. (Only applies to CSRS refunded money)

Interest Charged

CSRS deposit service and redeposit service is subject to interest based on when the service was performed (for deposit service) or when the employee made application for the refund. The rates are as follows:

- Rate of 4% through 12-31-1947
- Rate of 3% from 1-1-1948 through 12-31-1984
- A variable interest rate thereafter, compounded annually.

FERS deposit service from 1-1-1983 to 12-31-1984 are charged at a rate of 3% and a variable interest rate thereafter.

Variable Interest Rates

1985	-	13.000%	1994	-	6.25%
1986	-	11.125%	1995	-	7.00%
1987	-	9.000%	1996	-	6.875%
1988	-	8.375%	1997	-	6.875%
1989	-	9.125%	1998	-	6.750%
1990	-	8.750%	1999	-	5.750%
1991	-	8.625%	2000	-	5.875%
1992	-	8.125%	2001	-	6.375%
1993	-	7.125%	2002	-	5.500%
			2003	-	

Note: Variable rates do not apply to deposit service prior to 10-1-82, or to refunds received prior to 10-01-82. The 3% rate continues if the service will be credited in the CSRS component.

How To Compute The Actuarial Reduction for Unpaid CSRS Redeposits

Actuarial, or reduction factors are assigned based on the age of the retiree at the time of retirement. The amount of the redeposit due (which includes interest), on the date of retirement is divided by the actuarial factor. The remainder is rounded up and equals the monthly reduction in the annuity.

$$\frac{\text{Redeposit Owed}}{\text{Actuarial Factor}} = \text{Monthly Reduction}$$

When a FERS transferee with a CSRS component chooses not to make a redeposit of CSRS refunded service that ended before October 1, 1990, the CSRS component will be actuarially reduced by using the CSRS factor. You will use the amount owed divided by the CSRS factor.

Example: An employee retires in 2002, age 56, who owes \$8,500 redeposit. The employee would have \$41.66 (rounded to \$42) in a monthly reduction.

$$\frac{\$8500}{204.0} = \$41.66 \text{ or } \$42$$

Actuarial Factors CSRS

<u>AGE AT RETIREMENT</u>	<u>REDUCTION FACTOR</u>	<u>AGE AT RETIREMENT</u>	<u>REDUCTION FACTOR</u>
40	280.4	66	157.7
41	276.4	67	153.0
42	272.7	68	148.1
43	268.8	69	143.2
44	264.1	70	138.3
45	259.0	71	133.4
46	254.0	72	128.6
47	249.3	73	123.5
48	244.5	74	118.4
49	239.3	75	113.1
50	233.8	76	107.9
51	229.5	77	102.6
52	225.6	78	97.9
53	221.0	79	93.4
54	216.2	80	88.5
55	211.4	81	83.4
56	206.6	82	78.4
57	197.2	83	73.8
58	192.5	84	69.4
59	192.5	85	64.6
60	187.9	86	60.3
61	183.1	87	57.1
62	177.9	88	54.6
63	172.9	89	51.9
64	167.84	90	48.7
65	162.7		

Refund Fact Sheet

Eligibility Requirements

In order to receive a refund you must meet **all** of the following criteria:

- Be separated from the Federal government for at least 31 consecutive days OR be transferred to a position not subject to retirement deductions for at least 31 consecutive days;
- File a refund application (FERS – SF 3106, dated March 1996 only, and SF 3106A, if applicable) with the Office of Personnel Management;
- Not be reemployed in a position subject to retirement deductions at the time you file your application;
- Not be eligible to receive an immediate annuity within 31 days of separation;
- Not be prohibited from receiving a refund due to a court order; **AND**
- Notify your current and/or former spouse(s) of the refund request, if applicable.

It is recommended that you discuss all of the relevant facts with your servicing personnel office before making a final decision on applying for a refund. You are not required to withdraw your retirement contributions and may leave the money in the fund until you are eligible for a deferred retirement. In the event of your death, all money in the fund will be payable to your survivor as a lump sum benefit. The following topics may assist you in making your decision.

Refunds May Be An Advantage

- If you have less than 5 years of civilian service (you must have 5 years to receive an annuity), and you do not intend to return to Federal employment; **or**
- If you have 5 or more years of civilian service, you do not intend to return to Federal employment, and you believe you can invest the funds so that the final value of such investments exceeds the value of the deferred annuity. (At age 62 when applying for a deferred annuity, you may provide a survivor annuity for your spouse.)

CAUTION: Obtaining a refund of FERS contributions permanently voids entitlement to a future annuity for the entire period of service covered by the refund. Refunds of FERS deductions cannot be re-deposited.

Refunds May Be A Disadvantage

- If you have at least 5 years of civilian service and your deferred annuity exceeds the value of the lump sum refund.
- If you are re-employed by the Federal government and wish to receive credit for the refunded service, you may find that regaining the credit may be difficult. For CSRS, a redeposit plus interest will be required; for FERS, you cannot make a redeposit. The cost of the redeposit is equal to the refund received plus interest.
- A refund of all deductions voids any retirement options, including survivor benefits until the refund is re-deposited (only for CSRS).

Specific to FERS:

- If you receive a refund, you irrevocably lose all future credit for the refunded service.
- The lump sum credit continues to accrue interest at the market interest rate if a refund is not taken.

Reached A Refund Decision?

If you decide to apply for a refund within 30 days after your date of separation **AND** you did not receive notice from your payroll office that your retirement records were forwarded to the Office of Personnel Management (OPM) in Boyers, PA, mail your application to your servicing personnel office.

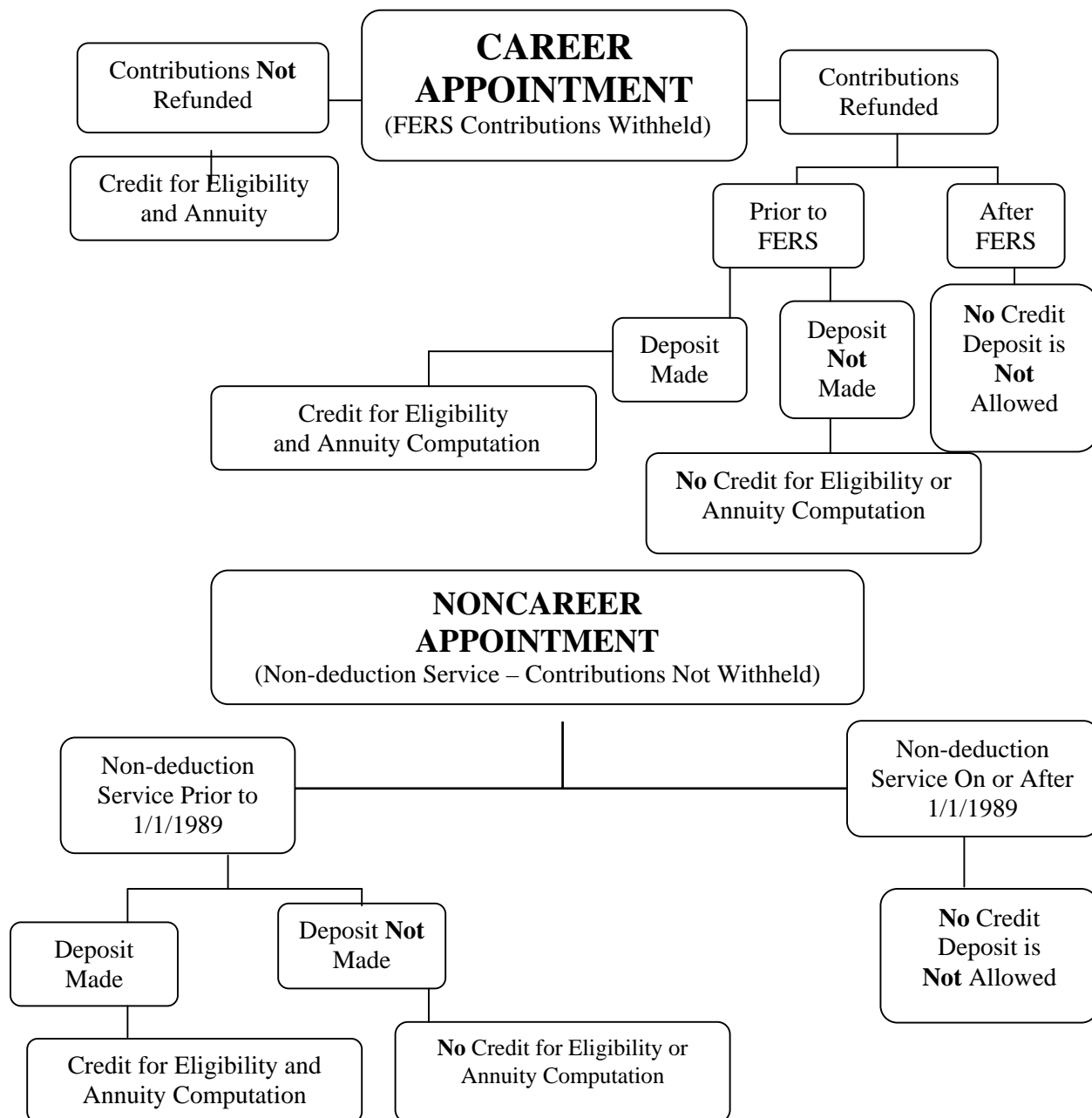
If you decide to apply for a refund more than 30 days after your date of separation **OR** you have received notice from your payroll office that your retirement records were sent to OPM, you must forward your application directly to the appropriate OPM address listed below:

Office of Personnel Management
Federal Employees Retirement System (FERS)
Retirement Operations Center
ATTN: Refunds
Boyers, PA 16017-0200

Procedures for Making a Civilian Service Deposit or Redeposit

- STEP 1** Obtain a SF 3108, Application to Make Service Credit Payment for Civilian Service, from your personnel office.
- STEP 2** Complete the front of the SF 3108 and return the application to your personnel office.
- STEP 3** Your agency will complete the back of the SF 3108 and certify the application. Your agency will also complete the “Agency Checklist for a FERS Service Credit Application” (RI 95-1). Checklist and Application will be forwarded to OPM, Retirement Operations Center, Boyers, PA 16017.
- STEP 4** You may submit payments directly to OPM after receiving the official bill. The deposit may be made in a single lump sum or in installments no smaller than \$50. You may also choose to have OPM debit your checking or savings account monthly.
- STEP 5** When you make a full or partial payment, OPM will send you a receipt showing the new balance due (including updated interest or payment in full, as appropriate).
- Notes:** Payments to OPM cannot be paid through payroll deduction. Interest is applied to unpaid balance on Jan 1 of each year. OPM will accept payment in full after separation, but prior to final adjudication of retirement application. Keep copies of all your paperwork.

FERS Creditable Civilian Service



Note: *Deposit may be made before or after retirement, but before final adjudication of the retirement claim. Payment must be made to the Office of Personnel Management (OPM). Do not apply to make payment if within six months of retirement. Application may be included in the retirement application package.*

Computation of Military Deposit

Your FERS deposit will equal 3% of your base pay (not allowances) earned during the post-56 military service. The earliest that interest begins to accrue is 1-1-89 or 2 years from the date you were first subject to FERS. Interest is compounded annually based on the variable interest rates. No interest is charged if you make the deposit, paid in full, before the first interest accrual date. If you transferred to FERS and have a CSRS component, you continue to be under the CSRS military deposit rules for service performed before the transfer. Under the CSRS rules, the deposit equals 7% of base pay and the earliest interest begins to accrue is 10-1-86 or your 3rd anniversary of entry into a CSRS position (if no CSRS component, interest begins to accrue 2 years from the date of transfer to FERS; posted on the 3rd year).

NOTE: There are special rules if you fall under Uniformed Services Employment and Reemployment Rights Act (USERRA); that is, restoration under chapter 43, Title 38.

FERS Employees With A CSRS Component:

If you were first hired prior to 10-1-82 and your military service is in a CSRS component, the military service will be credited for eligibility and annuity computation. However, you must consider the potential reduction based on Catch-62. If you are not eligible for Social Security at age 62 or at retirement if later, Catch-62 will not impact your annuity.

If you were first hired on or after 10-1-82, a deposit is required for the service to be creditable, regardless of eligibility for Social Security.

Note: OPM will only check with Social Security for eligibility the year that you turn age 62 or at retirement, if later.

Catch-62 Example:

If you do not make a deposit of 7% of basic military pay for your post-56 service subject to CSRS rules, your annuity will be computed:

Age at retirement - 55

Years of service - 30 (military and civilian)

Years of military service - 10 (post-56)

At age 62, **if eligible for Social Security**, annuity will be recomputed eliminating the 10 years of post-56 service.

With over 10 years of service, the annuity formula uses 2% for each year over 10; therefore, the annuity will lose 2% X 10 (military service) or 20%.

Deciding Whether To Waive Military Retired Pay

With few exceptions, receipt of military retired pay means that no military service can be credited toward retirement eligibility or used for the computation of annuity unless military retired pay is waived.

Type of Military Retired Pay	Choices	Effect on Annuity
<p>Awarded on account of service-connected disability which was:</p> <ol style="list-style-type: none"> 1. Incurred in combat with an enemy of the United States; or 2. Caused by an instrumentality of war and incurred in the line of duty during a period of war. 		<p>The years of military service will be used in computing the FERS annuity if deposit is paid. A waiver of military retired pay is not required.</p>
<p>Awarded under provisions of sections 12731 through 12739 of chapter 1223, title 10, U.S. Code which grants retired pay to members of reserve components who meet age and service requirements.</p>		<p>The years of military service will be used in computing the FERS annuity if deposit is paid. A waiver of military retired pay is not required.</p>
<p>Other types of military retired pay.</p>	<p>Waiving military retired pay</p>	<p>All creditable military service will be used in computing FERS annuity if deposit is paid.</p>
	<p>Not waiving military retired pay</p>	<p>Any military service used to compute military retired pay will not be used to compute the FERS annuity.</p>

ESTIMATED EARNINGS DURING MILITARY SERVICE

INSTRUCTIONS: Use a separate RI 20-97 for each branch of service. Attach DD214 or equivalent and any available records of pay or promotions. If you do not have a DD214 or equivalent, obtain a SF 180 from your personnel office and have your service verified before forwarding this form to the pay center. The pay center cannot provide estimated earnings unless verification of service is attached.

To:

Employee name (Last, First, Middle)	
Other names used	
Social Security Number	Date of birth
All military service numbers	
Branch of Service	

The uniformed services must provide estimated basic pay by Federal employees for military service after December 31, 1956, for the purpose of making a deposit to the Civil Service Retirement and Disability Fund for retirement credit. Please provide the estimated basic pay earned by the above named employee.

Signature of requester		Relationship to employee <input type="checkbox"/> Employee is requester <input type="checkbox"/> Other (Specify) <input type="checkbox"/> Survivor		Date		
Active military service after December 31, 1956 (Dates indicated below must be based on DD 214 or equivalent certification)				TO BE COMPLETED BY AUTHORIZED OFFICIAL Estimated Earnings (Base Pay) (Do not provide estimated earnings for any period of service prior to January 1, 1957.)		
From (Mo,Dy,Yr)	To (Mo,Dy,Yr)	From (Mo,Dy,Yr)	To (Mo,Dy,Yr)	Rate of Basic Pay	Earnings	Type of Discharge
1. If period of service began before and ended after December 31, 1956, enter date service actually began. (Mo,Dy,Yr)		1. Lost time <input type="checkbox"/> None <input type="checkbox"/> Number of days _____ <input type="checkbox"/> Inclusive dates				
Signature of authorized official furnishing estimate		Date(Mo,Dy,Yr)		Telephone number (Including Area Code)		
Typed name of authorized official		Title of authorized official				

Requester's name and address



Return
Complete
Form to

RI 20-97

Request For Earnings During Military Service

Attach a DD 214 or equivalent and any available records of pay or promotions to the Request for Earnings during Military Service form. If you do not have a DD 214 or equivalent, get an SF 180 from your personnel office and have your service verified before forwarding the request form to the pay center. The pay center cannot provide estimated earnings unless verification of service is attached. Send or FAX the Request for Earnings during Military Service to the appropriate address/FAX number shown below:

Army

DFAS-IN
ATTN: DFAS-IN/TJMA
8899 East 56th Street
Indianapolis, IN 46249-0875
Phone: (317) 510-2800 or 1-888-729-2769
FAX: (317) 510 5575

Navy

DFAS-Cleveland Center
ATTN: PMMACB
1240 East 9th Street
Cleveland, OH 44199-2055
Phone: (216) 522-6545
FAX: (216) 522-6924

Air Force

DFAS-PMJYB-DE
6760 East Irvington Place
Denver, CO 80279-3000
Phone: (303) 676-7408
FAX: (303) 676-6218

Marine Corps

DFAS-KC
Code - PMCRAF
1500 E. 95th Street
Kansas City, MO 64197-0001
Phone: (816) 926-7652
FAX: (816) 926-3129

Coast Guard

Commanding Officer (SES)
Coast Guard Human Resource Services Information Center
444 S.E. Quincy Street
Topeka, KS 66683-3591
Phone: (785) 339-3552
FAX: (785) 339-3784

Public Health Service

Public Health Service
Division of Commissioned Personnel
Compensation Branch
Parklawn Building, Room 4-50
5600 Fisher's Lane
Rockville, MD 20857
Phone: (301) 443-0064
FAX: (301) 594-2711

National Oceanic and Atmospheric Administration

National Oceanic and Atmospheric Adm.
Department of Commerce
Commissioned Personnel Office
11400 Rockville Pike, Room 105
Rockville, MD 20852

Procedures for Making a Military Service Deposit

- STEP 1** Obtain a RI 20-97, Estimated Earnings During Military Service, from your personnel office or use a copy from this handbook.
- STEP 2** Complete the RI 20-97, attach your DD 214(s) and send to the appropriate military finance center. Address/phone/fax numbers are also included in this handbook.
- STEP 3** When you have received your estimated military earnings, complete an SF 3108, Application to Make Service Credit Payments. You should complete the front of the form and submit it to your personnel office.
- STEP 4** Your agency will complete the back of the SF 3108 and certify the application. The SF 3108 and RI 20-97 will be forwarded to your servicing Defense Finance & Accounting Service (DFAS). DFAS will calculate the amount of your military deposit and inform you by letter the amount you owe.
- STEP 5** Make your payments directly to DFAS, either by check/money order, or through payroll deductions. The deposit may be made in a single lump sum payment or through installments. Your deposit account balance and each payment will be reflected on your Leave & Earnings Statement.
- STEP 6** When you have completed your military deposit, DFAS will send you a letter stating that the deposit has been paid in full. You should forward a copy of this letter to your personnel office to be placed in your Official Personnel Folder.

Notes: Military deposits must be paid prior to separation from Federal service. Be aware of your interest accrual date. Official documentation that you completed your military deposit will be annotated on the Individual Retirement Record (SF 3100), which will be forwarded from DFAS to OPM upon your separation. Keep copies of all your paperwork.

Effect Of Military Service After January 1, 1957 On FERS

